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sibility would remain with private operators in terms of protecting human health and the environment. Because of the cross-border nature of the trade in recyclables, national standards will not be enough. In order to bring consistency to environmental standards and best practices among all countries, a global, or at least regional, playing field must be achieved. Reaching this goal would require establishing a regional certification scheme for the environmentally sound management of hazardous and other wastes that could be delivered by independent institutions such as the Basel Convention regional centers. Such a certification scheme will be built on the environmentally sound principles adopted at the global level by the Parties to the Basel Convention and should provide incentives to improve performance of the recycling industry in reaching acceptable common environmental standards. Environmentally sound management implies a continuous improvement in environmental performance. All of this is feasible and centers around values, ethics, solidarity, and commitment.

**Conclusion**

We cannot close the book now. We have not finished our story: it will remain an endless tale of hope and frustrations. Dollars and cents will continue to be the catalyst. Governments are sizing down budgets; the environment is no longer at the top of people’s concerns. Unemployment and insecurity are driving the agenda. Internationally, developed countries – the so-called donor countries – have their eyes on climate change issues. Development co-operation rightly focuses on poverty reduction. The Basel Convention is below the threshold level of political awareness. But, in the meantime, the world continues to build a toxic heritage for future generations.

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**Recent EPA Ruling May Increase Brownfield Financing**

*by Mark Wilson*

Job growth, increased tax revenue, and urban renewal are just a few of the benefits municipalities receive by redeveloping abandoned “brownfields.” Brownfields are “property, the expansion, redevelopment, or reuse of which may be complicated by the presence … of a hazardous substance, pollutant, or contaminant.” 1 Yet, while the benefits for municipalities are numerous, liability concerns among private investors make it difficult for potential developers to finance such cleanup projects. Fortunately, a recent ruling by the U.S. Environmental Protection Agency’s Environmental Appeals Board (“EAB”) may relieve some lender’s concerns.2

Although clean-up costs are the responsibility of current or past owners, rather than prospective developers, the potential tort liability to residents and owners of nearby brownfields property are a major deterrent for private investors.3 Under the Comprehensive Environmental Response, Compensation, and Liability Act (“CERCLA”),4 commonly known as “Superfund,” strict, joint, and several liability for past contamination is imposed on all parties within the “chain of title” from the onset of contamination.5 For instance, in *Interfaith Community Organization v. Honeywell International, Inc.*, Honeywell, a recent successor of a brownfield site, was held liable under CERCLA for damages resulting from the prior owners’ contamination that affected surrounding property owners.6 Moreover, in *United States v. Fleet Factors Corp.*, the Eleventh Circuit held that a “secured creditor may incur CERCLA liability… by participating in the financial management of a facility … indicating a capacity to influence the treatment of hazardous waste.”7 Because investors can be held liable under CERCLA for damages incurred as a result of prior contamination that emanated to other properties, they hesitate to invest in brownfield redevelopments.8

While cases such as *Fleet and Interfaith* are rare, the perception of lender liability, especially third-party tort claims, is high among financial institutions.9 The American International Group, Inc. (“AIG”) testified before Congress that “third party liability for property damage and bodily injury due to pollution issues, go to the heart of what concerns many would-be Brownfield redevelopers.”10

However, on October 28, 2005, the EAB denied Grand Pier Center, LLC, a Chicago redeveloper, reimbursement from the EPA for $200,000 the company incurred by cleaning up an off-site sidewalk area.11 Grand Pier argued that they were solely responsible for costs incurred cleaning up contamination on the property they owned, but they were not responsible for the clean-up cost of the public sidewalk.12 The EAB held instead that the “facility” encompasses all areas where the contamination occurred, including Grand Pier Center’s property and the adjacent off-site sidewalk area.13 The Grand Pier ruling clarifies that developers will be expected to address all contamination associated with a brownfield, including adjacent properties and right-of-ways.14

While it may appear this ruling makes developers more vulnerable, in reality it alleviates some investors’ concerns over third-party liability, because lenders can be assured there will be no lingering contamination. Eliminating concerns over third-party liability from lingering contamination will strengthen investor confidence; thus, brownfield redevelopment can continue to revitalize communities and provide sustainable economic growth.

**Endnotes:** Brownfield Financing Continued on page 81

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2 In re Grand Pier Center, LLC, PSD Appeal No. 04-01 (EAB, Oct. 28, 2005), 12 E.A.D. 29.
4 CERCLA, supra note 1, at SS. 9601-9675.
5 CERCLA, supra note 1, at §9607(a) .
6 Interfaith Community Organization vs. Honeywell International, Inc.,

ENDNOTES: TOXIC TRAINS Continued from page 32

7 DC Act, id. at § 3(1).
8 DC Act, id. at §§ 4-5.
10 CSX v. Williams, 406 F.3d 667 (D.C. Cir. 2005).
12 CSX , 2005 U.S. Dist. LEXIS 6569 at *2 .
14 CSX , 2005 U.S. Dist. LEXIS 6569, at *97. The STB is an administrative board within the Dept. of Transportation that has jurisdiction over rail carriers.
15 CSX, 406 F.3d 667 (D.C. Cir. 2005).
16 CSX, 2005 U.S. Dist. LEXIS 6569 at *79-94.
17 CSX , 2005 U.S. Dist. LEXIS 6569 at *80-84.
18 CSX, 406 F.3d at 674 .
22 CSX, 2005 U.S. Dist. LEXIS 6569, at *33-34.
23 CSX, 2005 U.S. Dist. LEXIS 6569, at *33-34.
30 CSX, 2005 U.S. Dist. LEXIS 6569, at *41.
31 CSX, 2005 U.S. Dist. LEXIS 6569, at *42.
32 CSX, 2005 U.S. Dist. LEXIS 6569, at *44.
33 CSX, 2005 U.S. Dist. LEXIS 6569, at *80-83.
34 CSX, 406 F.3d at 674.
35 CSX, 406 F.3d at 673.
36 CSX, 406 F.3d at 674.
37 CSX, 406 F.3d, at 672-673.
38 CSX, 406 F.3d, at 672-673.
39 CSX, 406 F.3d, at 671.
40 CSX, 406 F.3d, at 671-672.
41 CSX, 406 F.3d, at 673.
42 CSX, 406 F.3d, at 673.
43 CSX, 406 F.3d, at 673.
44 CSX Transp., Inc. v. Easterwood, 507 U.S. 658, 666, 123 L. Ed. 2d 387, 113 S. Ct. 1732 (1993); see also, CSX, 406 F.3d at 671.
46 DC Act, supra note 6.
48 Tsui, id.
49 Tsui, id.
52 HMVRA, supra note 51, at § 3.
53 HMVRA, id.
54 HMVRA, id.
55 HMVRA, id, at §§ 5-6.
56 Deadly Bridge, supra note 1.